

The Surprising Key to Project Success

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Modern Project Management

- Gantt Chart 1917
- CPM 1957
- PERT 1958
- PMI 1969

A Growing Profession



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A Growing Profession

	1992	2006
PMI members	8,800	219,000
PMP's	800	212,000

A Growing Profession

PMI chapters	248
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PMI SIG's	30
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Countries	156
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A Growing Profession



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Management's Perspective



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Management's Perspective

Technical Needs Assessment 2002

- Selling project management to senior executives
- Project management linkage with strategic planning
- Virtual teams

PMI Research Conference 2002

Ideas for research

- Selling project management to senior executives
- Value/return on investment of project management
- Linking strategy and project management
- Project management linkage with strategic planning

Management's Perspective

1. Our claims do not match the observed results
2. We are selling a product that does not address the need
3. We promise results, but substitute bureaucracy for effective processes

Boston Central Artery



- Initial estimate: \$2.3 billion
- Current estimate: \$14.6 billion

Sakhalin II LNG

- Initial estimate:
\$10 billion
- Current estimate:
\$20 billion



Scottish Parliament

- Initial estimate:
£40 million
- Final cost:
£431 million



Observed Results

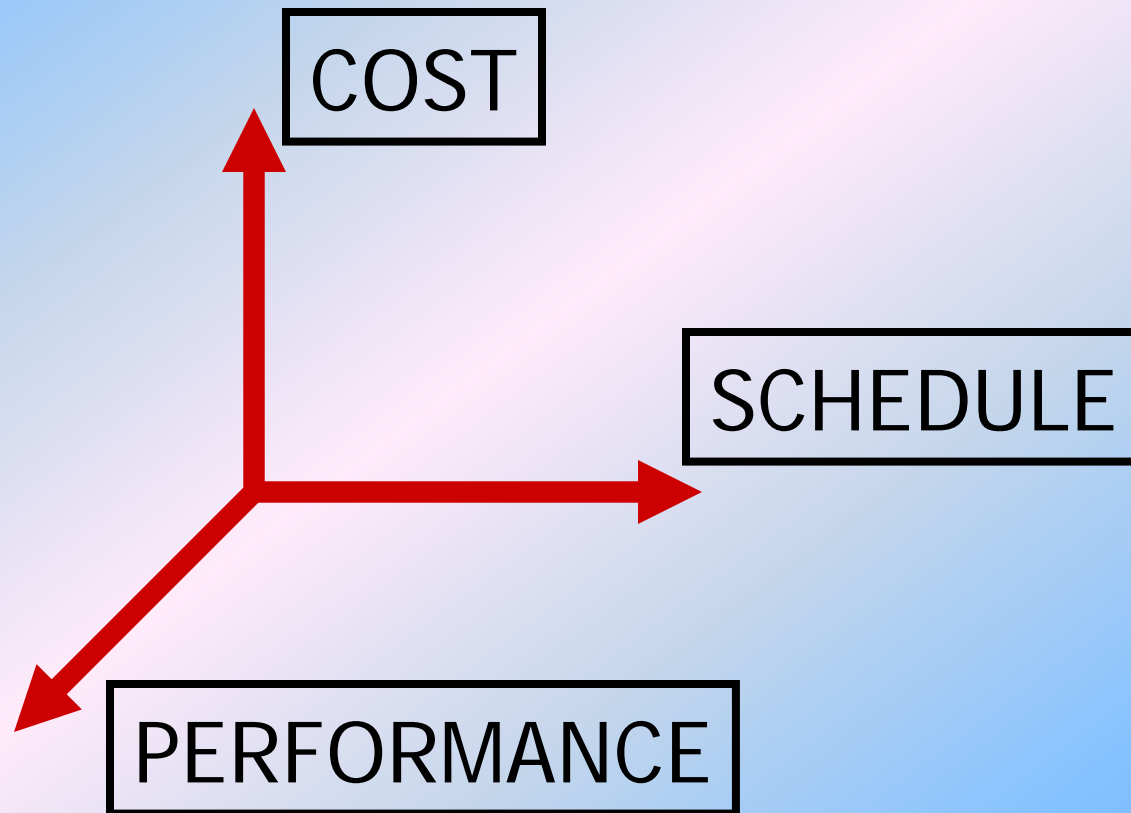
Crawford & Pennypacker

- Implementation of PM Practices
 - ↑ Financial measures
 - ↑ Customer measures
 - ↑ Project/process measures
 - ↑ Learning and growth measures

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Our Product



Our Product

Pinto & Slevin

“Projects are often rated successful because they have come in on or near budget and schedule and achieved a successful level of performance.”

2002 Olympic Winter Games



- Projected \$100 million deficit
- Actual \$400 million profit

Key to success: profitability

Batu Hijau Copper Mine

- \$100 million under budget
- 1 month early



Key to success: rapid startup

Manufacturing Plant Optimization



- Original schedule: 18 months
- Actual completion 5 years

Key to success: **production**

Project success

Four success dimensions (Shenhar)

- Project efficiency
- Impact on customer
- Business success
- Preparing for the future

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Typical Implementation Cycle

1. Organization experiences a “crisis”
2. Team assigned to implement PM
3. Team develops process for most complex project imaginable
4. Team urges “common sense” for simpler projects
5. Memory of “crisis” fades away
6. Ambitious executive eliminates PM to reduce overhead costs

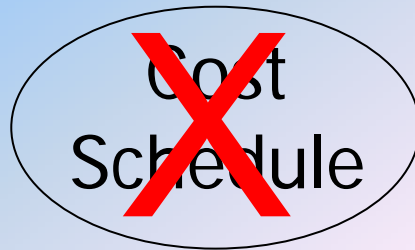
Project Management's Challenge

Distinguish between

- Value-adding project management
- Unnecessary overhead expense

The Key to Success

1. Understand the goals of senior management



2. Understand why project was selected
3. Position project to exceed the assumed contribution

The Key to Success

4. Be prepared to do **crazy** things
 - Offer faster schedule at higher cost
 - Recommend additional scope at higher cost
 - Offer delays to accelerate other projects
 - Recommend cancellation

The Key to Success

“The biggest blight affecting project management is that it is still seen as just a bunch of tools and techniques for bringing in a task ‘on time, in budget, to scope’. Unfortunately, there are still too many, even in the profession, who still see it this way.”

- Professor Peter Morris

University College London

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